

**ROLL CALL
EDUCATION COMMITTEE**

[illegible]



SENATE STANDING COMMITTEE REPORT

April 13, 2007

Page 1 of 6

Mr. President:

We, your committee on **Education and Cultural Resources** recommend that **House Bill 678** (third reading copy -- blue) be concurred in as amended.

Signed: _____

Don Ryan
Senator Don Ryan, Chair

To be carried by Senator Don Ryan

And, that such amendments read:

1. Title, page 1, line 6 through line 7.

Following: "AID;" on line 6

Strike: "ELIMINATING" on line 6 through "LEVY;" on line 7

2. Title, page 1, line 7.

Strike: "ELIMINATING"

Insert: "REVISING"

3. Title, page 1, line 7 through line 10.

Following: "BUDGET;"

Strike: "REVISING" on line 7 through "CREDIT;" on line 10

4. Title, page 1, line 10.

Strike: "ELIMINATING"

Insert: "REDUCING"

5. Title, page 1, line 11.

Following: "SECTIONS"

Strike: "20-3-106" through "20-9-104,"

6. Title, page 1, line 11 through line 12.

Strike: "20-9-308" on line 11 through "20-9-351," on line 12

7. Title, page 1, line 12.

Strike: "20-9-369 through 20-10-144"

Committee Vote:

Yes 8, No 1

Fiscal Note Required — *KF*

781717SC.ssc

Insert: "AND 20-9-630"

8. Title, page 1, line 12 through line 13.

Strike: "REPEALING" on line 12 through "MCA;" on line 13

9. Title, line 13.

Following: "PROVIDING"

Insert: "AN"

Strike: "DATES AND APPLICABILITY DATES"

Insert: "DATE AND AN APPLICABILITY DATE"

10. Page 1, line 17 through page 9, line 15.

Strike: section 1 through section 6 in their entirety

Renumber: subsequent sections

11. Page 9, line 25.

Following: "<ii>"

Strike: "determining"

Insert: "totaling:"

(i) the district's nonisolated school BASE budget requirement to be met by a district levy as provided in 20-9-303; and

(ii)"

12. Page 10, line 6.

Following: "aid;"

Insert: ", excluding any guaranteed tax base aid"

13. Page 10, line 8.

Following: "<4>"

Strike: "(3)"

Insert: "(4)"

14. Page 10, line 10.

Following: "subtract"

Strike: "Subtract"

Insert: "Notwithstanding the provisions of subsection (2), subtract"

15. Page 10, line 13.

Following: "requirement"

Insert: ", up to the BASE budget amount, to determine the general fund BASE budget levy requirement"

16. Page 10, line 28.

Following: line 27

Insert: "(2) The county superintendent shall calculate the number of mills to be levied on the taxable property in the district to finance the general fund levy requirement for

any amount that does not exceed the BASE budget amount for the district by dividing the amount determined in subsection (1)(c) by the sum of:

(a) the amount of guaranteed tax base aid that the district will receive for each mill levied, as certified by the superintendent of public instruction; and

(b) the current total taxable valuation of the district, as certified by the department of revenue under 15-10-202, divided by 1,000."

Renumber: subsequent subsections

17. Page 11, line 11.

Following: first "~~44.7%~~"

Strike: "80%"

Insert: "40%"

Following: second "~~44.7%~~"

Strike: "80%"

Insert: "40%"

18. Page 11, line 16.

Following: line 15

Insert: "(b) guaranteed tax base aid for an eligible district for any amount up to 40% of the basic entitlement, up to 40% of the total per-ANB entitlement budgeted in the general fund budget of a district, and 40% of the special education allowable cost payment;"

Renumber: subsequent subsections

19. Page 11, line 23.

Following: "~~140%~~"

Strike: "100%"

Insert: "140%"

20. Page 11, line 27.

Following: line 26

Insert: "(4) \"BASE budget levy\" means the district levy in support of the BASE budget of a district, which may be supplemented by guaranteed tax base aid if the district is eligible under the provisions of 20-9-366 through 20-9-369."

Renumber: subsequent subsections

21. Page 12, line 14.

Following: first "~~44.7%~~"

Strike: "80%"

Insert: "40%"

Following: second "~~44.7%~~"

Strike: "80%"

Insert: "40%"

22. Page 13, line 22 through page 25, line 6.

Strike: section 9 through section 11 in their entirety

Renumber: subsequent sections

23. Page 25, line 26.

Following: "(b)"

Insert: "(a) "District guaranteed tax base ratio" for guaranteed tax base funding for the BASE budget of an eligible district means the taxable valuation in the previous year of all property in the district divided by the sum of the district's current year BASE budget amount less direct state aid and the state special education allowable cost payment.
(b) "

24. Page 26, line 9.

Following: "(b)"

Insert: "(a) "Statewide elementary guaranteed tax base ratio" or "statewide high school guaranteed tax base ratio", for guaranteed tax base funding for the BASE budget of an eligible district, means the sum of the taxable valuation in the previous year of all property in the state, multiplied by 250% and divided by the total sum of either the state elementary school districts' or the high school districts' current year BASE budget amounts less total direct state aid.
(b) "

25. Page 26, line 16.

Following: "or"

Insert: "guaranteed tax base aid or state advance or"

26. Page 26, line 21.

Following: "budget"

Insert: "(1) If the district guaranteed tax base ratio of any elementary or high school district is less than the corresponding statewide elementary or high school guaranteed tax base ratio, the district may receive guaranteed tax base aid based on the number of mills levied in the district in support of up to 40% of the basic entitlement, up to 40% of the total per-ANB entitlement, and up to 40% of the special education allowable cost payment budgeted within the general fund budget"

Renumber: subsequent subsections

27. Page 27, line 19.

Following: line 18

Insert: " (3) The amount of guaranteed tax base aid that a district may receive in support of up to 40% of the basic entitlement, up to 40% of the total per-ANB entitlement budgeted within the general fund budget, and up to 40% of

the special education payment is calculated in the following manner:

(a) multiply the sum of the district's BASE budget amount less direct state aid by the corresponding statewide guaranteed tax base ratio;

(b) subtract the taxable valuation of the district from the product obtained in subsection (3) (a); and

(c) divide the remainder by 1,000 to determine the equivalent to the dollar amount of guaranteed tax base aid for each mill levied."

Renumber: subsequent subsections

28. Page 27, line 23 through page 31, line 22.

Strike: section 15 through section 21 in their entirety

Insert: "Section 6. Section 20-9-630, MCA, is amended to read:

"20-9-630. School district block grants. (1) (a) The office of public instruction shall provide a block grant to each school district based on the revenue received by each district in fiscal year 2001 from vehicle taxes and fees, corporate license taxes paid by financial institutions, aeronautics fees, state land payments in lieu of taxes, and property tax reimbursements pursuant to sections 167(1) through (5) and 169(6), Chapter 584, Laws of 1999.

(b) Block grants must be calculated using the electronic reporting system that is used by the office of public instruction and school districts. The electronic reporting system must be used to allocate the block grant amount into each district's budget as an anticipated revenue source by fund.

(c) With the exception of vehicle taxes and fees, the office of public instruction shall use the amount actually received from the sources listed in subsection (1)(a) in fiscal year 2001 in its calculation of the block grant for fiscal year 2002 budgeting purposes. For vehicle taxes and fees, the office of public instruction shall use 93.4% of the amount actually received in fiscal year 2001 in calculating the block grant for fiscal year 2002.

~~(2) If the fiscal year 2003 appropriation provided in section 248(1), Chapter 574, Laws of 2001, is insufficient to fund the school district block grants in fiscal year 2003 at the fiscal year 2002 level, the office of public instruction shall prorate the block grants to meet the remaining appropriation. School districts shall anticipate the prorated block grant amounts provided by the office of public instruction in their budgets for fiscal year 2003.~~

~~(3)~~ (2) Each year, 70% of each district's block grant must be distributed in November and 30% of each district's block grant must be distributed in May at the same time that guaranteed tax base aid is distributed.

~~(4) (a) The block grant for the district general fund is equal to the average amount received in fiscal years 2002 and 2003 by the district general fund from the block grants provided~~

~~for in subsection (1). The block grant must be increased by 0.76% in fiscal year 2004 and in each succeeding fiscal year.~~

~~(b)~~ (a) The block grant for the district transportation fund is equal to ~~one-half of the average~~ the amount received in fiscal ~~years 2002 and 2003~~ year 2007 by the district transportation fund from the block grants provided for in subsection (1). The block grant must be increased by 0.76% in fiscal year ~~2004~~ 2008 and in each succeeding fiscal year.

~~(c)~~ (b) (i) The combined fund block grant is equal to the ~~average~~ amount received in fiscal ~~years 2002 and 2003~~ year 2007 by the district tuition, bus depreciation reserve, building reserve, nonoperating, and adult education funds from the block grants provided for in subsection (1). The block grant must be increased by 0.76% in fiscal year ~~2004~~ 2008 and in each succeeding fiscal year.

(ii) The school district may deposit the combined fund block grant into any budgeted fund of the district."

Insert: "NEW SECTION. Section 7. Effective date --

applicability. [This act] is effective July 1, 2007, and applies to school district budgets for school fiscal years beginning on or after July 1, 2007."

- END -

MONTANA STATE SENATE
2007 LEGISLATURE

EDUCATION AND CULTURAL RESOURCES

ROLL CALL VOTE

DATE 4-13-07 BILL NO. HB 678 NUMBER

MOTION: Concurred in as Amended

NAME	AYE	NO
BLACK, JERRY (R)	✓	
ELLIOTT, JIM (D)		✓
HAWKS, BOB (D)	✓	
JUNEAU, CAROL (D)	✓	
KITZENBERG, SAM (D)	✓	
McGEE, DAN (R)	✓	
PETERSON, JIM (R)	✓	
STORY, ROBERT (R)	✓	
RYAN, DON (D) - CHAIRMAN	✓	

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**MONTANA STATE SENATE
2007 LEGISLATURE**

EDUCATION AND CULTURAL RESOURCES

ROLL CALL VOTE

DATE 4/13/07 BILL NO. HB 678 NUMBER _____

MOTION: Amendment be adopted

NAME	AYE	NO
BLACK, JERRY (R)	✓	
ELLIOTT, JIM (D)		✓
HAWKS, BOB (D)	✓	
JUNEAU, CAROL (D)	✓	
KITZENBERG, SAM (D)	✓	
McGEE, DAN (R)	✓	
PETERSON, JIM (R)	✓	
STORY, ROBERT (R)	✓	
RYAN, DON (D) - CHAIRMAN	✓	

8 1

SENATE PROXY FORM

According to Senate Rule 30-70 (13) (f) , a committee member may vote by proxy using a standard form.

PROXY VOTE

I, the undersigned, hereby authorize Senator Reardon

to vote my proxy on any issue before the Senate _____

AY - HB 678

Committee

held on _____

Y - HB 678 Amendment

4/13/07

, 2007.

Jerry Bleck
SENATOR
STATE OF MONTANA

SENATE PROXY FORM

According to Senate Rule 30-70 (13) (f) , a committee member may vote by proxy using a standard form.

PROXY VOTE

I, the undersigned, hereby authorize Senator

Ryan

to vote my proxy on any issue before the Senate

Edin

Committee

held on

April 17

, 2007.

HB 678 yes

[Signature]
SENATOR

STATE OF MONTANA

SENATE PROXY FORM

According to Senate Rule 30-70 (13) (f) , a committee member may vote by proxy using a standard form.

PROXY VOTE

I, the undersigned, hereby authorize Senator Ryan
to vote my proxy on any issue before the Senate _____

_____ Committee

held on April 17 _____, 2007.

HB
678
yes

Sam Kutzberg
SENATOR
STATE OF MONTANA

SENATE PROXY FORM

According to Senate Rule 30-70 (13) (f) , a committee member may vote by proxy using a standard form.

PROXY VOTE

I, the undersigned, hereby authorize Senator Ryan

to vote my proxy on any issue before the Senate Edin

_____ Committee

held on April 13, 2007.

HB 678

yes

Carol C. Jensen
SENATOR
STATE OF MONTANA

SENATE PROXY FORM

According to Senate Rule 30-70 (13) (f) , a committee member may vote by proxy using a standard form.

PROXY VOTE

I, the undersigned, hereby authorize Senator Ryan

to vote my proxy on any issue before the Senate _____

_____ Committee

held on April 13, 2007.

#B678
NO

[Signature]

SENATOR
STATE OF MONTANA

SENATE PROXY FORM

According to Senate Rule 30-70 (13) (f) , a committee member may vote by proxy using a standard form.

PROXY VOTE

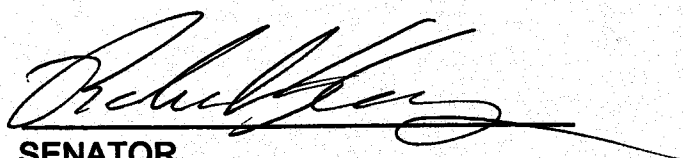
I, the undersigned, hereby authorize Senator McGee

to vote my proxy on any issue before the Senate Ed

_____ Committee

held on 4/13/2007, 2007.

HB 678, as amd - Aye



SENATOR
STATE OF MONTANA